

FISCAL NOTE

SB 2066

January 19, 2000

SUMMARY OF BILL: (1) Provides a mechanism for a constitutional convention to consider altering, reforming, or abolishing the present Constitution of Tennessee with respect to Article II, Sections 24, 28, 29, and 30 relative to taxation and Article XI, Section 5 relative to the prohibition of lotteries and the sale of lottery tickets; (2) requires the question of calling a constitutional convention to be submitted to the voters at the August 2000 election; and (3) requires the Secretary of State to publish notice of such an election in a newspaper of general circulation in each county.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$20,000 One-Time

Assumes a cost of \$20,000 to publish notices in the newspaper in each county.

Election expenses are estimated to be minimal, since the question of calling a convention will be placed on the regular August election ballot.

For information purposes, the following should be noted:

- (1) Estimated cost of holding a constitutional convention with 33 delegates to consider the multiple issues contained in the bill is as follows: A constitutional convention lasting 15 days is estimated to cost approximately \$108,000. A constitutional convention requiring 20 days is estimated to cost approximately \$140,000. A constitutional convention requiring 30 days is estimated to cost approximately \$205,000.
- (2) Adoption of a lottery is estimated to generate a net increase in state revenues in excess of \$200,000,000. This estimate was made using per capita gross proceeds of surrounding states that have lotteries. Estimate assumes approximately 15% of gross proceeds will go for administration, 45% for prizes with the remaining 40% retained by the state. Percentages reflect prevailing rates experienced by states having lotteries.
- (3) Estimated cost to hold a statewide referendum that is not conducted in conjunction with a statewide election is approximately \$4,000,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director